

CONFERENCE COMMITTEE SUBSTITUTE

FOR

HOUSE COMMITTEE SUBSTITUTE

FOR

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 156

AN ACT

To repeal sections 135.800, 135.805, 142.028, 142.031, 144.030, 261.035, 261.230, 261.235, 261.239, 263.232, 265.200, 340.335, 340.337, 340.339, 340.341, 340.343, 340.345, 340.347, 348.430, 348.432, 348.505, and 414.420, RSMo, and to enact in lieu thereof forty-three new sections relating to agriculture, with an expiration date for certain sections.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

1 Section A. Sections 135.800, 135.805, 142.028, 142.031,
 2 144.030, 261.035, 261.230, 261.235, 261.239, 263.232, 265.200,
 3 340.335, 340.337, 340.339, 340.341, 340.343, 340.345, 340.347,
 4 348.430, 348.432, 348.505, and 414.420, RSMo, are repealed and
 5 forty-three new sections enacted in lieu thereof, to be known as
 6 sections 135.633, 135.800, 135.805, 142.028, 142.031, 144.030,
 7 144.051, 144.063, 144.065, 261.035, 261.230, 261.235, 261.239,
 8 262.261, 263.232, 265.200, 265.525, 267.165, 311.297, 340.335,
 9 340.337, 340.339, 340.341, 340.343, 340.345, 340.347, 340.375,
 10 340.381, 340.384, 340.387, 340.390, 340.393, 340.396, 340.399,
 11 340.402, 340.405, 348.230, 348.235, 348.430, 348.432, 348.505,
 12 414.420, and 1, to read as follows:

1 135.633. 1. As used in this section, the following terms
2 mean:

3 (1) "Authority", the Missouri agriculture and small
4 business development authority;

5 (2) "Eligible expenses", the actual cost to a producer of
6 implementing odor abatement best management practices and systems
7 necessary to achieve MELO accreditation from the department of
8 agriculture. Eligible expenses includes the actual cost of
9 implementing odor abatement best management practices and systems
10 necessary to meet preferred environmental practices. All
11 eligible expenses shall be less any federal or other state
12 incentives;

13 (3) "MELO", managed environment livestock operation;

14 (4) "Odor abatement best management practices", best
15 management practices as established by the department of natural
16 resources and the department of agriculture;

17 (5) "Preferred environmental practice", those odor
18 abatement best management practices which exceed the criteria for
19 MELO accreditation;

20 (6) "Producer", a person, partnership, corporation, trust,
21 or limited liability company who is a Missouri resident and whose
22 primary purpose is agriculture production;

23 (7) "Tax credit", a credit against the tax otherwise due
24 under chapter 143, RSMo, excluding withholding tax imposed by
25 sections 143.191 to 143.265, RSMo, or otherwise due under chapter
26 147, 148, or 153, RSMo;

27 (8) "Taxpayer", any individual or entity subject to the tax
28 imposed in chapter 143, RSMo, excluding withholding tax imposed

1 by sections 143.191 to 143.265, RSMo, or the tax imposed in
2 chapter 147, 148, or 153, RSMo.

3 2. For all taxable years beginning on or after January 1,
4 2007, a taxpayer shall be allowed a tax credit for the eligible
5 costs of implementing odor abatement best management practices
6 and systems. The authority shall establish a managed environment
7 livestock operation odor abatement tax credit program for
8 producers. The maximum cumulative tax credit amount per taxpayer
9 shall be equal to:

10 (1) The lesser of fifty percent of such eligible expense of
11 implementing odor abatement best management practices and systems
12 necessary to achieve MELO accreditation from the department of
13 agriculture and/or basic infrastructure to increase the setback
14 from the property line, or fifty thousand dollars; or

15 (2) The lesser of seventy-five percent of such eligible
16 expense of implementing odor abatement best management practices
17 and systems necessary to meet preferred environmental practices
18 and/or basic infrastructure to increase the setback from the
19 property line, or seventy-five thousand dollars.

20 3. If the amount of the tax credit issued exceeds the
21 amount of the taxpayer's state tax liability for the tax year for
22 which the credit is claimed, the difference shall not be
23 refundable but may be carried back to any of the taxpayer's three
24 prior taxable years and carried forward to any of the taxpayer's
25 five subsequent taxable years regardless of the type of tax
26 liability to which such credits are applied as authorized under
27 subsection 4 of this section. Tax credits granted under this
28 section may be transferred, sold, or assigned. Whenever a

1 certificate of tax credit is assigned, transferred, sold, or
2 otherwise conveyed, a notarized endorsement shall be filed with
3 the authority specifying the name and address of the new owner of
4 the tax credit or the value of the credit. The cumulative amount
5 of tax credits which may be issued under this section in any one
6 fiscal year shall not exceed three hundred thousand dollars.

7 4. Producers may receive a credit against the tax or
8 estimated quarterly tax otherwise due under chapter 143, RSMo,
9 other than taxes withheld under sections 143.191 to 143.265,
10 RSMo, or chapter 147 or 148, RSMo.

11 5. Tax credits claimed in a taxable year may be done so on
12 a quarterly basis and applied to the estimated quarterly tax
13 otherwise due under subsection 4 of this section. If a quarterly
14 tax credit claim or series of claims contributes to causing an
15 overpayment of taxes for a taxable year, such overpayment shall
16 not be refunded but shall be applied to the next taxable year.

17 6. A producer shall submit to the authority an application
18 for tax credit allocation before any eligible expenses are
19 expended. The authority may promulgate rules establishing
20 eligibility under this section, taking into consideration:

21 (1) The potential for significant odor reduction;

22 (2) The producer's ability to provide funding for the
23 implementation of best management odor abatement projects;

24 (3) The implementation of proven odor abatement
25 technologies; and

26 (4) Such other factors as the authority may establish.

27 7. The authority may impose a one-time application fee of
28 one-fourth of one percent which shall be collected at the time of

1 the tax credit issuance.

2 8. Ninety percent of the tax credits authorized under this
3 section shall initially be issued to producers for MELO
4 accreditation projects in any fiscal year. If any portion of the
5 ninety percent of tax credits offered to producers for MELO
6 accreditation projects is unused as of March first in any fiscal
7 year, the unused portion of tax credits may be offered to
8 producers for preferred environmental practices.

9 9. If any portion of the ten percent of tax credits offered
10 to producers for preferred environmental practices projects is
11 unused as of March first in any fiscal year, the unused portion
12 of tax credits may be offered to approved MELO accreditation
13 projects.

14 10. Any odor abatement tax credit not issued by June
15 thirtieth of each fiscal year shall expire.

16 11. The department of agriculture shall promulgate rules to
17 create a MELO accreditation program. The program shall establish
18 criteria for meeting MELO accreditation. The provisions of
19 subsections 1 to 10 of this section shall only become effective
20 upon the joint committee on administrative rules fulfilling its
21 responsibilities under chapter 536, RSMo, and the rules becoming
22 effective. The joint committee on administrative rules shall
23 notify the revisor of statutes once the rules have become
24 effective. Any rule or portion of a rule, as that term is
25 defined in section 536.010, RSMo, that is created under the
26 authority delegated in this section shall become effective only
27 if it complies with and is subject to all of the provisions of
28 chapter 536, RSMo, and, if applicable, section 536.028, RSMo.

1 This section and chapter 536, RSMo, are nonseverable and if any
2 of the powers vested with the general assembly pursuant to
3 chapter 536, RSMo, to review, to delay the effective date, or to
4 disapprove and annul a rule are subsequently held
5 unconstitutional, then the grant of rulemaking authority and any
6 rule proposed or adopted after August 28, 2007, shall be invalid
7 and void.

8 12. The provisions of this section shall expire three years
9 from the date the joint committee on administrative rules
10 notifies the revisor of statutes that the rules required by
11 subsection 11 of this section have become effective.

12 135.800. 1. The provisions of sections 135.800 to 135.830
13 shall be known and may be cited as the "Tax Credit Accountability
14 Act of 2004".

15 2. As used in sections 135.800 to 135.830, the following
16 terms mean:

17 (1) "Administering agency", the state agency or department
18 charged with administering a particular tax credit program, as
19 set forth by the program's enacting statute; where no department
20 or agency is set forth, the department of revenue;

21 (2) "Agricultural tax credits", the agricultural product
22 utilization contributor tax credit created pursuant to section
23 348.430, RSMo, the new generation cooperative incentive tax
24 credit created pursuant to section 348.432, RSMo, the family farm
25 breeding livestock loan tax credit created under section 348.505,
26 RSMo, and the wine and grape production tax credit created
27 pursuant to section 135.700;

28 (3) "All tax credit programs", the tax credit programs

1 included in the definitions of agricultural tax credits, business
2 recruitment tax credits, community development tax credits,
3 domestic and social tax credits, entrepreneurial tax credits,
4 environmental tax credits, housing tax credits, redevelopment tax
5 credits, and training and educational tax credits;

6 (4) "Business recruitment tax credits", the business
7 facility tax credit created pursuant to sections 135.110 to
8 135.150 and section 135.258, the enterprise zone tax benefits
9 created pursuant to sections 135.200 to 135.270, the business use
10 incentives for large-scale development programs created pursuant
11 to sections 100.700 to 100.850, RSMo, the development tax credits
12 created pursuant to sections 32.100 to 32.125, RSMo, the
13 rebuilding communities tax credit created pursuant to section
14 135.535, and the film production tax credit created pursuant to
15 section 135.750;

16 (5) "Community development tax credits", the neighborhood
17 assistance tax credit created pursuant to sections 32.100 to
18 32.125, RSMo, the family development account tax credit created
19 pursuant to sections 208.750 to 208.775, RSMo, the dry fire
20 hydrant tax credit created pursuant to section 320.093, RSMo, and
21 the transportation development tax credit created pursuant to
22 section 135.545;

23 (6) "Domestic and social tax credits", the youth
24 opportunities tax credit created pursuant to section 135.460 and
25 sections 620.1100 to 620.1103, RSMo, the shelter for victims of
26 domestic violence created pursuant to section 135.550, the senior
27 citizen or disabled person property tax credit created pursuant
28 to sections 135.010 to 135.035, the special needs adoption tax

1 credit created pursuant to sections 135.325 to 135.339, the
2 maternity home tax credit created pursuant to section 135.600,
3 and the shared care tax credit created pursuant to section
4 660.055, RSMo;

5 (7) "Entrepreneurial tax credits", the capital tax credit
6 created pursuant to sections 135.400 to 135.429, the certified
7 capital company tax credit created pursuant to sections 135.500
8 to 135.529, the seed capital tax credit created pursuant to
9 sections 348.300 to 348.318, RSMo, the new enterprise creation
10 tax credit created pursuant to sections 620.635 to 620.653, RSMo,
11 the research tax credit created pursuant to section 620.1039,
12 RSMo, the small business incubator tax credit created pursuant to
13 section 620.495, RSMo, the guarantee fee tax credit created
14 pursuant to section 135.766, and the new generation cooperative
15 tax credit created pursuant to sections 32.105 to 32.125, RSMo;

16 (8) "Environmental tax credits", the charcoal producer tax
17 credit created pursuant to section 135.313, the wood energy tax
18 credit created pursuant to sections 135.300 to 135.311, and the
19 manufacturing and recycling flexible cellulose casing tax credit
20 created pursuant to section 260.285, RSMo;

21 (9) "Housing tax credits", the neighborhood preservation
22 tax credit created pursuant to sections 135.475 to 135.487, the
23 low-income housing tax credit created pursuant to sections
24 135.350 to 135.363, and the affordable housing tax credit created
25 pursuant to sections 32.105 to 32.125, RSMo;

26 (10) "Recipient", the individual or entity who is the
27 original applicant for and who receives proceeds from a tax
28 credit program directly from the administering agency, the person

1 or entity responsible for the reporting requirements established
2 in section 135.805;

3 (11) "Redevelopment tax credits", the historic preservation
4 tax credit created pursuant to sections 253.545 to 253.561, RSMo,
5 the brownfield redevelopment program tax credit created pursuant
6 to sections 447.700 to 447.718, RSMo, the community development
7 corporations tax credit created pursuant to sections 135.400 to
8 135.430, the infrastructure tax credit created pursuant to
9 subsection 6 of section 100.286, RSMo, the bond guarantee tax
10 credit created pursuant to section 100.297, RSMo, and the
11 disabled access tax credit created pursuant to section 135.490;

12 (12) "Training and educational tax credits", the community
13 college new jobs tax credit created pursuant to sections 178.892
14 to 178.896, RSMo, the skills development account tax credit
15 created pursuant to sections 620.1400 to 620.1460, RSMo, the
16 mature worker tax credit created pursuant to section 620.1560,
17 RSMo, and the sponsorship and mentoring tax credit created
18 pursuant to section 135.348.

19 135.805. 1. A recipient of a community development tax
20 credit shall annually, for a period of three years following
21 issuance of tax credits, provide to the administering agency
22 information confirming the title and location of the
23 corresponding project, the estimated or actual time period for
24 completion of the project, and all geographic areas impacted by
25 the project.

26 2. A recipient of a redevelopment tax credit shall
27 annually, for a period of three years following issuance of tax
28 credits, provide to the administering agency information

1 confirming whether the property is used for residential,
2 commercial, or governmental purposes, and the projected or actual
3 project cost, labor cost, and date of completion.

4 3. A recipient of a business recruitment tax credit shall
5 annually, for a period of three years following issuance of tax
6 credits, provide to the administering agency information
7 confirming the category of business by size, the address of the
8 business headquarters and all offices located within this state,
9 the number of employees at the time of the annual update, an
10 updated estimate of the number of employees projected to increase
11 as a result of the completion of the project, and the estimated
12 or actual project cost.

13 4. A recipient of a training and educational tax credit
14 shall annually, for a period of three years following issuance of
15 tax credits, provide to the administering agency information
16 confirming the name and address of the educational institution
17 used, the average salary of workers served as of such annual
18 update, the estimated or actual project cost, and the number of
19 employees and number of students served as of such annual update.

20 5. A recipient of a housing tax credit shall annually, for
21 a period of three years following issuance of tax credits,
22 provide to the administering agency information confirming the
23 address of the property, the fair market value of the property,
24 as defined in subsection 6 of section 135.802, and the projected
25 or actual labor cost and completion date of the project.

26 6. A recipient of an entrepreneurial tax credit shall
27 annually, for a period of three years following issuance of tax
28 credits, provide to the administering agency information

1 confirming the amount of investment and the names of the project,
2 fund, and research project.

3 7. A recipient of an agricultural tax credit shall
4 annually, for a period of three years following issuance of tax
5 credits, provide to the administering agency information
6 confirming the type of agricultural commodity, the amount of
7 contribution, the type of equipment purchased, and the name and
8 description of the facility, except that if the agricultural
9 credit is issued as a result of a producer member investing in a
10 new generation processing entity or new generation cooperative
11 then the new generation processing entity or new generation
12 cooperative, and not the recipient, shall annually, for a period
13 of three years following issuance of tax credits, provide to the
14 administering agency information confirming the type of
15 agricultural commodity, the amount of contribution, the type of
16 equipment purchased, and the name and description of the
17 facility.

18 8. A recipient of an environmental tax credit shall
19 annually, for a period of three years following issuance of tax
20 credits, provide to the administering agency information
21 detailing any change to the type of equipment purchased, if
22 applicable, and any change to any environmental impact statement,
23 if such statement is required by state or federal law.

24 9. The reporting requirements established in this section
25 shall be due annually on June thirtieth of each year. No person
26 or entity shall be required to make an annual report until at
27 least one year after the credit issuance date.

28 10. Where the sole requirement for receiving a tax credit

1 in the enabling legislation of any tax credit is an obligatory
2 assessment upon a taxpayer or a monetary contribution to a
3 particular group or entity, the reporting requirements provided
4 in this section shall apply to the recipient of such assessment
5 or contribution and shall not apply to the assessed nor the
6 contributor.

7 11. Where the enacting statutes of a particular tax credit
8 program or the rules of a particular administering agency require
9 reporting of information that includes the information required
10 in sections 135.802 to 135.810, upon reporting of the required
11 information, the applicant shall be deemed to be in compliance
12 with the requirements of sections 135.802 to 135.810. The
13 administering agency shall notify in writing the department of
14 economic development of the administering agency's status as
15 custodian of any particular tax credit program and that all
16 records pertaining to the program are available at the
17 administering agency's office for review by the department of
18 economic development.

19 12. The provisions of subsections 1 to 10 of this section
20 shall apply beginning on June 30, 2005.

21 142.028. 1. As used in this section, the following terms
22 mean:

23 (1) "Fuel ethanol", [one hundred ninety-eight proof ethanol
24 denatured in conformity with the United States Bureau of Alcohol,
25 Tobacco and Firearms' regulations and fermented and distilled in
26 a facility whose principal (over fifty percent) feed stock is
27 cereal grain or cereal grain by-products] a fuel which meets ASTM
28 International specification number D 4806 or subsequent

specifications for blending with gasoline for use as automotive spark-ignition engine fuel and where the ethanol is made from cereal grains, cereal grain by-products, or qualified biomass;

(2) "Fuel ethanol blends", a mixture of ninety percent gasoline and ten percent fuel ethanol in which the gasoline portion of the blend or the finished blend meets the [American Society for Testing and Materials -] ASTM International specification number [D-439] D 4814;

(3) "Missouri qualified fuel ethanol producer", any producer of fuel ethanol whose principal place of business and facility for the fermentation and distillation of fuel ethanol is located within the state of Missouri and is at least fifty-one percent owned by agricultural producers actively engaged in agricultural production for commercial purposes, and which has made formal application, posted a bond, and conformed to the requirements of this section;

(4) "Professional forester", any individual who holds a bachelor of science degree in forestry from a regionally accredited college or university with a minimum of two years of professional forest management experience;

(5) "Qualified biomass", any agriculture-derived organic material or any wood-derived organic material harvested in accordance with a site specific forest management plan focused for long-term forest sustainability developed by a professional forester and qualified, in consultation with the conservation commission, by the Missouri agricultural and small business development authority.

2. The "Missouri Qualified Fuel Ethanol Producer Incentive

1 Fund" is hereby created and subject to appropriations shall be
2 used to provide economic subsidies to Missouri qualified fuel
3 ethanol producers pursuant to this section. The director of the
4 department of agriculture shall administer the fund pursuant to
5 this section.

6 3. A Missouri qualified fuel ethanol producer shall be
7 eligible for a monthly grant from the fund, except that a
8 Missouri qualified fuel ethanol producer shall only be eligible
9 for the grant for a total of sixty months unless such producer
10 during those sixty months failed, due to a lack of
11 appropriations, to receive the full amount from the fund for
12 which they were eligible, in which case such producers shall
13 continue to be eligible for up to twenty-four additional months
14 or until they have received the maximum amount of funding for
15 which they were eligible during the original sixty-month time
16 period. The amount of the grant is determined by calculating the
17 estimated gallons of qualified fuel ethanol production to be
18 produced from Missouri agricultural products or qualified biomass
19 for the succeeding calendar month, as certified by the department
20 of agriculture, and applying such figure to the per-gallon
21 incentive credit established in this subsection. Each Missouri
22 qualified fuel ethanol producer shall be eligible for a total
23 grant in any fiscal year equal to twenty cents per gallon for the
24 first twelve and one-half million gallons of qualified fuel
25 ethanol produced from Missouri agricultural products or qualified
26 biomass in the fiscal year plus five cents per gallon for the
27 next twelve and one-half million gallons of qualified fuel
28 ethanol produced from Missouri agricultural products or qualified

1 biomass in the fiscal year. All such qualified fuel ethanol
2 produced by a Missouri qualified fuel ethanol producer in excess
3 of twenty-five million gallons shall not be applied to the
4 computation of a grant pursuant to this subsection. The
5 department of agriculture shall pay all grants for a particular
6 month by the fifteenth day after receipt and approval of the
7 application described in subsection 4 of this section. If actual
8 production of qualified fuel ethanol during a particular month
9 either exceeds or is less than that estimated by a Missouri
10 qualified fuel ethanol producer, the department of agriculture
11 shall adjust the subsequent monthly grant by paying additional
12 amount or subtracting the amount in deficiency by using the
13 calculation described in this subsection.

14 4. In order for a Missouri qualified fuel ethanol producer
15 to obtain a grant from the fund for a particular month, an
16 application for such funds shall be received no later than
17 fifteen days prior to the first day of the month for which the
18 grant is sought. The application shall include:

19 (1) The location of the Missouri qualified fuel ethanol
20 producer;

21 (2) The average number of citizens of Missouri employed by
22 the Missouri qualified fuel ethanol producer in the preceding
23 quarter, if applicable;

24 (3) The number of bushels of Missouri agricultural
25 commodities or green weight tons of qualified biomass used by the
26 Missouri qualified fuel ethanol producer in the production of
27 fuel ethanol in the preceding quarter;

28 (4) The number of gallons of qualified fuel ethanol the

1 producer expects to manufacture during the month for which the
2 grant is applied;

3 (5) A copy of the qualified fuel ethanol producer license
4 required pursuant to subsection 5 of this section, name and
5 address of surety company, and amount of bond to be posted
6 pursuant to subsection 5 of this section; and

7 (6) Any other information deemed necessary by the
8 department of agriculture to adequately ensure that such grants
9 shall be made only to Missouri qualified fuel ethanol producers.

10 5. The director of the department of agriculture, in
11 consultation with the department of revenue and the department of
12 conservation, shall promulgate rules and regulations necessary
13 for the administration of the provisions of this section. The
14 director shall also establish procedures for bonding Missouri
15 qualified fuel ethanol producers. Each Missouri qualified fuel
16 ethanol producer who attempts to obtain moneys pursuant to this
17 section shall be bonded in an amount not to exceed the estimated
18 maximum monthly grant to be issued to such Missouri qualified
19 fuel ethanol producer.

20 6. Any rule or portion of a rule, as that term is defined
21 in section 536.010, RSMo, that is created under the authority
22 delegated in this section shall become effective only if it
23 complies with and is subject to all of the provisions of chapter
24 536, RSMo, and, if applicable, section 536.028, RSMo. This
25 section and chapter 536, RSMo, are nonseverable and if any of the
26 powers vested with the general assembly pursuant to chapter 536,
27 RSMo, to review, to delay the effective date or to disapprove and
28 annul a rule are subsequently held unconstitutional, then the

1 grant of rulemaking authority and any rule proposed or adopted
2 after August 28, 2002, shall be invalid and void.

3 7. Beginning January 1, 2008, through December 31, 2018,
4 the economic subsidies provided under this section to Missouri
5 qualified fuel ethanol producers of fuel ethanol made from
6 qualified biomass shall not exceed one million dollars per year.
7 Prior to January 1, 2008, and after January 1, 2019, Missouri
8 qualified fuel ethanol producers of fuel ethanol made from
9 qualified biomass shall be ineligible for economic subsidies
10 under this section.

11 142.031. 1. As used in this section the following terms
12 shall mean:

13 (1) "Biodiesel", fuel as defined in ASTM Standard D-6751 or
14 its subsequent standard specifications for biodiesel fuel (B100)
15 blend stock for distillate fuels;

16 (2) "Missouri qualified biodiesel producer", a facility
17 that produces biodiesel, is registered with the United States
18 Environmental Protection Agency according to the requirements of
19 40 CFR 79, and:

20 (a) Is at least fifty-one percent owned by agricultural
21 producers who are residents of this state and who are actively
22 engaged in agricultural production for commercial purposes; or

23 (b) At least eighty percent of the feedstock used by the
24 facility originates in the state of Missouri. For purposes of
25 this section, "feedstock" means [a Missouri agricultural product
26 as defined in section 348.400, RSMo] an agricultural,
27 horticultural, viticultural, vegetable, aquacultural, livestock,
28 forestry, or poultry product either in its natural or processed

1 state.

2 2. The "Missouri Qualified Biodiesel Producer Incentive
3 Fund" is hereby created and subject to appropriations shall be
4 used to provide economic subsidies to Missouri qualified
5 biodiesel producers pursuant to this section. The director of
6 the department of agriculture shall administer the fund pursuant
7 to this section.

8 3. A Missouri qualified biodiesel producer shall be
9 eligible for a monthly grant from the fund provided that one
10 hundred percent of the feedstock originates in the United States.
11 However, the director may waive the feedstock requirements on a
12 month-to-month basis if the facility provides verification that
13 adequate feedstock is not available. A Missouri qualified
14 biodiesel producer shall only be eligible for the grant for a
15 total of sixty months unless such producers during the sixty
16 months fail, due to a lack of appropriations, to receive the full
17 amount from the fund for which the producers were eligible, in
18 which case such producers shall continue to be eligible for up to
19 twenty-four additional months or until they have received the
20 maximum amount of funding for which such producers were eligible
21 during the original sixty-month time period. The amount of the
22 grant is determined by calculating the estimated gallons of
23 qualified biodiesel produced during the preceding month from
24 [Missouri agricultural products] feedstock, as certified by the
25 department of agriculture, and applying such figure to the
26 per-gallon incentive credit established in this subsection. Each
27 Missouri qualified biodiesel producer shall be eligible for a
28 total grant in any fiscal year equal to thirty cents per gallon

1 for the first fifteen million gallons of qualified biodiesel
2 produced from [Missouri agricultural products] feedstock in the
3 fiscal year plus ten cents per gallon for the next fifteen
4 million gallons of qualified biodiesel produced from [Missouri
5 agricultural products] feedstock in the fiscal year. All such
6 qualified biodiesel produced by a Missouri qualified biodiesel
7 producer in excess of thirty million gallons shall not be applied
8 to the computation of a grant pursuant to this subsection. The
9 department of agriculture shall pay all grants for a particular
10 month by the fifteenth day after receipt and approval of the
11 application described in subsection 4 of this section.

12 4. In order for a Missouri qualified biodiesel producer to
13 obtain a grant from the fund, an application for such funds shall
14 be received no later than fifteen days following the last day of
15 the month for which the grant is sought. The application shall
16 include:

17 (1) The location of the Missouri qualified biodiesel
18 producer;

19 (2) The average number of citizens of Missouri employed by
20 the Missouri qualified biodiesel producer in the preceding month,
21 if applicable;

22 (3) The number of bushel equivalents of Missouri
23 [agricultural commodities] feedstock and out-of-state feedstock
24 used by the Missouri qualified biodiesel producer in the
25 production of biodiesel in the preceding month;

26 (4) The number of gallons of qualified biodiesel the
27 producer manufactures during the month for which the grant is
28 applied;

1 (5) A copy of the qualified biodiesel producer license
2 required pursuant to subsection 5 of this section, name and
3 address of surety company, and amount of bond to be posted
4 pursuant to subsection 5 of this section; and

5 (6) Any other information deemed necessary by the
6 department of agriculture to adequately ensure that such grants
7 shall be made only to Missouri qualified biodiesel producers.

8 5. The director of the department of agriculture, in
9 consultation with the department of revenue, shall promulgate
10 rules and regulations necessary for the administration of the
11 provisions of this section.

12 6. Any rule or portion of a rule, as that term is defined
13 in section 536.010, RSMo, that is created under the authority
14 delegated in this section shall become effective only if it
15 complies with and is subject to all of the provisions of chapter
16 536, RSMo, and, if applicable, section 536.028, RSMo. This
17 section and chapter 536, RSMo, are nonseverable and if any of the
18 powers vested with the general assembly pursuant to chapter 536,
19 RSMo, to review, to delay the effective date or to disapprove and
20 annul a rule are subsequently held unconstitutional, then the
21 grant of rulemaking authority and any rule proposed or adopted
22 after August 28, 2002, shall be invalid and void.

23 7. This section shall expire on December 31, 2009.
24 However, Missouri qualified biodiesel producers receiving any
25 grants awarded prior to December 31, 2009, shall continue to be
26 eligible for the remainder of the original sixty-month time
27 period under the same terms and conditions of this section unless
28 such producer during such sixty months failed, due to a lack of

1 appropriations, to receive the full amount from the fund for
2 which he or she was eligible. In such case, such producers shall
3 continue to be eligible for up to twenty-four additional months
4 or until they have received the maximum amount of funding for
5 which they were eligible during the original sixty-month time
6 period.

7 144.030. 1. There is hereby specifically exempted from the
8 provisions of sections 144.010 to 144.525 and from the
9 computation of the tax levied, assessed or payable pursuant to
10 sections 144.010 to 144.525 such retail sales as may be made in
11 commerce between this state and any other state of the United
12 States, or between this state and any foreign country, and any
13 retail sale which the state of Missouri is prohibited from taxing
14 pursuant to the Constitution or laws of the United States of
15 America, and such retail sales of tangible personal property
16 which the general assembly of the state of Missouri is prohibited
17 from taxing or further taxing by the constitution of this state.

18 2. There are also specifically exempted from the provisions
19 of the local sales tax law as defined in section 32.085, RSMo,
20 section 238.235, RSMo, and sections 144.010 to 144.525 and
21 144.600 to 144.761 and from the computation of the tax levied,
22 assessed or payable pursuant to the local sales tax law as
23 defined in section 32.085, RSMo, section 238.235, RSMo, and
24 sections 144.010 to 144.525 and 144.600 to 144.745:

25 (1) Motor fuel or special fuel subject to an excise tax of
26 this state, unless all or part of such excise tax is refunded
27 pursuant to section 142.824, RSMo; or upon the sale at retail of
28 fuel to be consumed in manufacturing or creating gas, power,

1 steam, electrical current or in furnishing water to be sold
2 ultimately at retail; or feed for livestock or poultry; or grain
3 to be converted into foodstuffs which are to be sold ultimately
4 in processed form at retail; or seed, limestone or fertilizer
5 which is to be used for seeding, liming or fertilizing crops
6 which when harvested will be sold at retail or will be fed to
7 livestock or poultry to be sold ultimately in processed form at
8 retail; economic poisons registered pursuant to the provisions of
9 the Missouri pesticide registration law (sections 281.220 to
10 281.310, RSMo) which are to be used in connection with the growth
11 or production of crops, fruit trees or orchards applied before,
12 during, or after planting, the crop of which when harvested will
13 be sold at retail or will be converted into foodstuffs which are
14 to be sold ultimately in processed form at retail;

15 (2) Materials, manufactured goods, machinery and parts
16 which when used in manufacturing, processing, compounding,
17 mining, producing or fabricating become a component part or
18 ingredient of the new personal property resulting from such
19 manufacturing, processing, compounding, mining, producing or
20 fabricating and which new personal property is intended to be
21 sold ultimately for final use or consumption; and materials,
22 including without limitation, gases and manufactured goods,
23 including without limitation, slagging materials and firebrick,
24 which are ultimately consumed in the manufacturing process by
25 blending, reacting or interacting with or by becoming, in whole
26 or in part, component parts or ingredients of steel products
27 intended to be sold ultimately for final use or consumption;

28 (3) Materials, replacement parts and equipment purchased

1 for use directly upon, and for the repair and maintenance or
2 manufacture of, motor vehicles, watercraft, railroad rolling
3 stock or aircraft engaged as common carriers of persons or
4 property;

5 (4) Replacement machinery, equipment, and parts and the
6 materials and supplies solely required for the installation or
7 construction of such replacement machinery, equipment, and parts,
8 used directly in manufacturing, mining, fabricating or producing
9 a product which is intended to be sold ultimately for final use
10 or consumption; and machinery and equipment, and the materials
11 and supplies required solely for the operation, installation or
12 construction of such machinery and equipment, purchased and used
13 to establish new, or to replace or expand existing, material
14 recovery processing plants in this state. For the purposes of
15 this subdivision, a "material recovery processing plant" means a
16 facility that has as its primary purpose the recovery of
17 materials into a useable product or a different form which is
18 used in producing a new product and shall include a facility or
19 equipment which are used exclusively for the collection of
20 recovered materials for delivery to a material recovery
21 processing plant but shall not include motor vehicles used on
22 highways. For purposes of this section, the terms "motor
23 vehicle" and "highway" shall have the same meaning pursuant to
24 section 301.010, RSMo. Material recovery is not the reuse of
25 materials within a manufacturing process or the use of a product
26 previously recovered. The material recovery processing plant
27 shall qualify under the provisions of this section regardless of
28 ownership of the material being recovered;

1 (5) Machinery and equipment, and parts and the materials
2 and supplies solely required for the installation or construction
3 of such machinery and equipment, purchased and used to establish
4 new or to expand existing manufacturing, mining or fabricating
5 plants in the state if such machinery and equipment is used
6 directly in manufacturing, mining or fabricating a product which
7 is intended to be sold ultimately for final use or consumption;

8 (6) Tangible personal property which is used exclusively in
9 the manufacturing, processing, modification or assembling of
10 products sold to the United States government or to any agency of
11 the United States government;

12 (7) Animals or poultry used for breeding or feeding
13 purposes;

14 (8) Newsprint, ink, computers, photosensitive paper and
15 film, toner, printing plates and other machinery, equipment,
16 replacement parts and supplies used in producing newspapers
17 published for dissemination of news to the general public;

18 (9) The rentals of films, records or any type of sound or
19 picture transcriptions for public commercial display;

20 (10) Pumping machinery and equipment used to propel
21 products delivered by pipelines engaged as common carriers;

22 (11) Railroad rolling stock for use in transporting persons
23 or property in interstate commerce and motor vehicles licensed
24 for a gross weight of twenty-four thousand pounds or more or
25 trailers used by common carriers, as defined in section 390.020,
26 RSMo, solely in the transportation of persons or property in
27 interstate commerce;

28 (12) Electrical energy used in the actual primary

1 manufacture, processing, compounding, mining or producing of a
2 product, or electrical energy used in the actual secondary
3 processing or fabricating of the product, or a material recovery
4 processing plant as defined in subdivision (4) of this
5 subsection, in facilities owned or leased by the taxpayer, if the
6 total cost of electrical energy so used exceeds ten percent of
7 the total cost of production, either primary or secondary,
8 exclusive of the cost of electrical energy so used or if the raw
9 materials used in such processing contain at least twenty-five
10 percent recovered materials as defined in section 260.200, RSMo.
11 For purposes of this subdivision, "processing" means any mode of
12 treatment, act or series of acts performed upon materials to
13 transform and reduce them to a different state or thing,
14 including treatment necessary to maintain or preserve such
15 processing by the producer at the production facility;

16 (13) Anodes which are used or consumed in manufacturing,
17 processing, compounding, mining, producing or fabricating and
18 which have a useful life of less than one year;

19 (14) Machinery, equipment, appliances and devices purchased
20 or leased and used solely for the purpose of preventing, abating
21 or monitoring air pollution, and materials and supplies solely
22 required for the installation, construction or reconstruction of
23 such machinery, equipment, appliances and devices, and so
24 certified as such by the director of the department of natural
25 resources, except that any action by the director pursuant to
26 this subdivision may be appealed to the air conservation
27 commission which may uphold or reverse such action;

28 (15) Machinery, equipment, appliances and devices purchased

1 or leased and used solely for the purpose of preventing, abating
2 or monitoring water pollution, and materials and supplies solely
3 required for the installation, construction or reconstruction of
4 such machinery, equipment, appliances and devices, and so
5 certified as such by the director of the department of natural
6 resources, except that any action by the director pursuant to
7 this subdivision may be appealed to the Missouri clean water
8 commission which may uphold or reverse such action;

9 (16) Tangible personal property purchased by a rural water
10 district;

11 (17) All amounts paid or charged for admission or
12 participation or other fees paid by or other charges to
13 individuals in or for any place of amusement, entertainment or
14 recreation, games or athletic events, including museums, fairs,
15 zoos and planetariums, owned or operated by a municipality or
16 other political subdivision where all the proceeds derived
17 therefrom benefit the municipality or other political subdivision
18 and do not inure to any private person, firm, or corporation;

19 (18) All sales of insulin and prosthetic or orthopedic
20 devices as defined on January 1, 1980, by the federal Medicare
21 program pursuant to Title XVIII of the Social Security Act of
22 1965, including the items specified in Section 1862(a)(12) of
23 that act, and also specifically including hearing aids and
24 hearing aid supplies and all sales of drugs which may be legally
25 dispensed by a licensed pharmacist only upon a lawful
26 prescription of a practitioner licensed to administer those
27 items, including samples and materials used to manufacture
28 samples which may be dispensed by a practitioner authorized to

1 dispense such samples and all sales of medical oxygen, home
2 respiratory equipment and accessories, hospital beds and
3 accessories and ambulatory aids, all sales of manual and powered
4 wheelchairs, stairway lifts, Braille writers, electronic Braille
5 equipment and, if purchased by or on behalf of a person with one
6 or more physical or mental disabilities to enable them to
7 function more independently, all sales of scooters, reading
8 machines, electronic print enlargers and magnifiers, electronic
9 alternative and augmentative communication devices, and items
10 used solely to modify motor vehicles to permit the use of such
11 motor vehicles by individuals with disabilities or sales of
12 over-the-counter or nonprescription drugs to individuals with
13 disabilities;

14 (19) All sales made by or to religious and charitable
15 organizations and institutions in their religious, charitable or
16 educational functions and activities and all sales made by or to
17 all elementary and secondary schools operated at public expense
18 in their educational functions and activities;

19 (20) All sales of aircraft to common carriers for storage
20 or for use in interstate commerce and all sales made by or to
21 not-for-profit civic, social, service or fraternal organizations,
22 including fraternal organizations which have been declared
23 tax-exempt organizations pursuant to Section 501(c)(8) or (10) of
24 the 1986 Internal Revenue Code, as amended, in their civic or
25 charitable functions and activities and all sales made to
26 eleemosynary and penal institutions and industries of the state,
27 and all sales made to any private not-for-profit institution of
28 higher education not otherwise excluded pursuant to subdivision

1 (19) of this subsection or any institution of higher education
2 supported by public funds, and all sales made to a state relief
3 agency in the exercise of relief functions and activities;

4 (21) All ticket sales made by benevolent, scientific and
5 educational associations which are formed to foster, encourage,
6 and promote progress and improvement in the science of
7 agriculture and in the raising and breeding of animals, and by
8 nonprofit summer theater organizations if such organizations are
9 exempt from federal tax pursuant to the provisions of the
10 Internal Revenue Code and all admission charges and entry fees to
11 the Missouri state fair or any fair conducted by a county
12 agricultural and mechanical society organized and operated
13 pursuant to sections 262.290 to 262.530, RSMo;

14 (22) All sales made to any private not-for-profit
15 elementary or secondary school, all sales of feed additives,
16 medications or vaccines administered to livestock or poultry in
17 the production of food or fiber, all sales of pesticides used in
18 the production of crops, livestock or poultry for food or fiber,
19 all sales of bedding used in the production of livestock or
20 poultry for food or fiber, all sales of propane or natural gas,
21 electricity or diesel fuel used exclusively for drying
22 agricultural crops, natural gas used in the primary manufacture
23 or processing of fuel ethanol as defined in section 142.028,
24 RSMo, natural gas, propane, and electricity used by an eligible
25 new generation cooperative or an eligible new generation
26 processing entity as defined in section 348.432, RSMo, and all
27 sales of farm machinery and equipment, other than airplanes,
28 motor vehicles and trailers. As used in this subdivision, the

1 term "feed additives" means tangible personal property which,
2 when mixed with feed for livestock or poultry, is to be used in
3 the feeding of livestock or poultry. As used in this
4 subdivision, the term "pesticides" includes adjuvants such as
5 crop oils, surfactants, wetting agents and other assorted
6 pesticide carriers used to improve or enhance the effect of a
7 pesticide and the foam used to mark the application of pesticides
8 and herbicides for the production of crops, livestock or poultry.
9 As used in this subdivision, the term "farm machinery and
10 equipment" means new or used farm tractors and such other new or
11 used farm machinery and equipment and repair or replacement parts
12 thereon, and supplies and lubricants used exclusively, solely,
13 and directly for producing crops, raising and feeding livestock,
14 fish, poultry, pheasants, chukar, quail, or for producing milk
15 for ultimate sale at retail, including field drain tile[, and
16 one-half of each purchaser's purchase of diesel fuel therefor
17 which is:

18 (a) Used exclusively for agricultural purposes;

19 (b) Used on land owned or leased for the purpose of
20 producing farm products; and

21 (c) Used directly in producing farm products to be sold
22 ultimately in processed form or otherwise at retail or in
23 producing farm products to be fed to livestock or poultry to be
24 sold ultimately in processed form at retail];

25 (23) Except as otherwise provided in section 144.032, all
26 sales of metered water service, electricity, electrical current,
27 natural, artificial or propane gas, wood, coal or home heating
28 oil for domestic use and in any city not within a county, all

1 sales of metered or unmetered water service for domestic use;

2 (a) "Domestic use" means that portion of metered water
3 service, electricity, electrical current, natural, artificial or
4 propane gas, wood, coal or home heating oil, and in any city not
5 within a county, metered or unmetered water service, which an
6 individual occupant of a residential premises uses for
7 nonbusiness, noncommercial or nonindustrial purposes. Utility
8 service through a single or master meter for residential
9 apartments or condominiums, including service for common areas
10 and facilities and vacant units, shall be deemed to be for
11 domestic use. Each seller shall establish and maintain a system
12 whereby individual purchases are determined as exempt or
13 nonexempt;

14 (b) Regulated utility sellers shall determine whether
15 individual purchases are exempt or nonexempt based upon the
16 seller's utility service rate classifications as contained in
17 tariffs on file with and approved by the Missouri public service
18 commission. Sales and purchases made pursuant to the rate
19 classification "residential" and sales to and purchases made by
20 or on behalf of the occupants of residential apartments or
21 condominiums through a single or master meter, including service
22 for common areas and facilities and vacant units, shall be
23 considered as sales made for domestic use and such sales shall be
24 exempt from sales tax. Sellers shall charge sales tax upon the
25 entire amount of purchases classified as nondomestic use. The
26 seller's utility service rate classification and the provision of
27 service thereunder shall be conclusive as to whether or not the
28 utility must charge sales tax;

1 (c) Each person making domestic use purchases of services
2 or property and who uses any portion of the services or property
3 so purchased for a nondomestic use shall, by the fifteenth day of
4 the fourth month following the year of purchase, and without
5 assessment, notice or demand, file a return and pay sales tax on
6 that portion of nondomestic purchases. Each person making
7 nondomestic purchases of services or property and who uses any
8 portion of the services or property so purchased for domestic
9 use, and each person making domestic purchases on behalf of
10 occupants of residential apartments or condominiums through a
11 single or master meter, including service for common areas and
12 facilities and vacant units, under a nonresidential utility
13 service rate classification may, between the first day of the
14 first month and the fifteenth day of the fourth month following
15 the year of purchase, apply for credit or refund to the director
16 of revenue and the director shall give credit or make refund for
17 taxes paid on the domestic use portion of the purchase. The
18 person making such purchases on behalf of occupants of
19 residential apartments or condominiums shall have standing to
20 apply to the director of revenue for such credit or refund;

21 (24) All sales of handicraft items made by the seller or
22 the seller's spouse if the seller or the seller's spouse is at
23 least sixty-five years of age, and if the total gross proceeds
24 from such sales do not constitute a majority of the annual gross
25 income of the seller;

26 (25) Excise taxes, collected on sales at retail, imposed by
27 Sections 4041, 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and
28 4271 of Title 26, United States Code. The director of revenue

1 shall promulgate rules pursuant to chapter 536, RSMo, to
2 eliminate all state and local sales taxes on such excise taxes;

3 (26) Sales of fuel consumed or used in the operation of
4 ships, barges, or waterborne vessels which are used primarily in
5 or for the transportation of property or cargo, or the conveyance
6 of persons for hire, on navigable rivers bordering on or located
7 in part in this state, if such fuel is delivered by the seller to
8 the purchaser's barge, ship, or waterborne vessel while it is
9 afloat upon such river;

10 (27) All sales made to an interstate compact agency created
11 pursuant to sections 70.370 to 70.441, RSMo, or sections 238.010
12 to 238.100, RSMo, in the exercise of the functions and activities
13 of such agency as provided pursuant to the compact;

14 (28) Computers, computer software and computer security
15 systems purchased for use by architectural or engineering firms
16 headquartered in this state. For the purposes of this
17 subdivision, "headquartered in this state" means the office for
18 the administrative management of at least four integrated
19 facilities operated by the taxpayer is located in the state of
20 Missouri;

21 (29) All livestock sales when either the seller is engaged
22 in the growing, producing or feeding of such livestock, or the
23 seller is engaged in the business of buying and selling,
24 bartering or leasing of such livestock;

25 (30) All sales of barges which are to be used primarily in
26 the transportation of property or cargo on interstate waterways;

27 (31) Electrical energy or gas, whether natural, artificial
28 or propane, water, or other utilities which are ultimately

1 consumed in connection with the manufacturing of cellular glass
2 products or in any material recovery processing plant as defined
3 in subdivision (4) of subsection 2 of this section;

4 (32) Notwithstanding other provisions of law to the
5 contrary, all sales of pesticides or herbicides used in the
6 production of crops, aquaculture, livestock or poultry;

7 (33) Tangible personal property purchased for use or
8 consumption directly or exclusively in the research and
9 development of prescription pharmaceuticals consumed by humans or
10 animals;

11 (34) All sales of grain bins for storage of grain for
12 resale;

13 (35) All sales of feed which are developed for and used in
14 the feeding of pets owned by a commercial breeder when such sales
15 are made to a commercial breeder, as defined in section 273.325,
16 RSMo, and licensed pursuant to sections 273.325 to 273.357, RSMo;

17 (36) All purchases by a contractor on behalf of an entity
18 located in another state, provided that the entity is authorized
19 to issue a certificate of exemption for purchases to a contractor
20 under the provisions of that state's laws. For purposes of this
21 subdivision, the term "certificate of exemption" shall mean any
22 document evidencing that the entity is exempt from sales and use
23 taxes on purchases pursuant to the laws of the state in which the
24 entity is located. Any contractor making purchases on behalf of
25 such entity shall maintain a copy of the entity's exemption
26 certificate as evidence of the exemption. If the exemption
27 certificate issued by the exempt entity to the contractor is
28 later determined by the director of revenue to be invalid for any

1 reason and the contractor has accepted the certificate in good
2 faith, neither the contractor or the exempt entity shall be
3 liable for the payment of any taxes, interest and penalty due as
4 the result of use of the invalid exemption certificate.

5 Materials shall be exempt from all state and local sales and use
6 taxes when purchased by a contractor for the purpose of
7 fabricating tangible personal property which is used in
8 fulfilling a contract for the purpose of constructing, repairing
9 or remodeling facilities for the following:

10 (a) An exempt entity located in this state, if the entity
11 is one of those entities able to issue project exemption
12 certificates in accordance with the provisions of section
13 144.062; or

14 (b) An exempt entity located outside the state if the
15 exempt entity is authorized to issue an exemption certificate to
16 contractors in accordance with the provisions of that state's law
17 and the applicable provisions of this section;

18 (37) Tangible personal property purchased for use or
19 consumption directly or exclusively in research or
20 experimentation activities performed by life science companies
21 and so certified as such by the director of the department of
22 economic development or the director's designees; except that,
23 the total amount of exemptions certified pursuant to this section
24 shall not exceed one million three hundred thousand dollars in
25 state and local taxes per fiscal year. For purposes of this
26 subdivision, the term "life science companies" means companies
27 whose primary research activities are in agriculture,
28 pharmaceuticals, biomedical or food ingredients, and whose North

American Industry Classification System (NAICS) Codes fall under industry 541710 (biotech research or development laboratories), 621511 (medical laboratories) or 541940 (veterinary services). The exemption provided by this subdivision shall expire on June 30, 2003;

(38) All sales or other transfers of tangible personal property to a lessor who leases the property under a lease of one year or longer executed or in effect at the time of the sale or other transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441, RSMo, or sections 238.010 to 238.100, RSMo; and

(39) Sales of tickets to any collegiate athletic championship event that is held in a facility owned or operated by a governmental authority or commission, a quasi-governmental agency, a state university or college or by the state or any political subdivision thereof, including a municipality, and that is played on a neutral site and may reasonably be played at a site located outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that is not located on the campus of a conference member institution participating in the event.

144.051. 1. As used in this section, "machinery and equipment" means new or used farm tractors and such other new or used machinery and equipment and repair or replacement parts thereon, and supplies and lubricants used exclusively, solely, and directly for the planting, harvesting, processing, or transporting of a forestry product, and the purchase of motor fuel, as defined in section 142.800, RSMo, therefor which is:

1 (1) Used exclusively for forestry purposes;

2 (2) Used on land owned or leased for the purpose of
3 planting, harvesting, processing, or transporting forestry
4 products; and

5 (3) Used directly in planting, harvesting, processing, or
6 transporting forestry products.

7 2. Notwithstanding any other provision of law to the
8 contrary, for purposes of department of revenue administrative
9 interpretation, all machinery and equipment used solely for the
10 planting, harvesting, processing, or transporting of a forestry
11 product shall be considered farm machinery, and shall be exempt
12 from state and local sales and use tax, as provided for other
13 farm machinery in section 144.030.

14 144.063. 1. In addition to all other exemptions granted
15 under this chapter, there is also specifically exempted from the
16 provisions of the local sales tax law as defined in section
17 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to
18 144.761 and from the computation of the tax levied, assessed or
19 payable under the local sales tax law as defined in section
20 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to
21 144.761, all sales of fencing materials used for agricultural
22 purposes.

23 2. The provisions of this section shall expire six years
24 from the effective date of this act.

25 144.065. 1. In addition to all other exemptions granted
26 under this chapter, there is also specifically exempted from the
27 provisions of the local sales tax law as defined in section
28 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to

1 144.761 and from the computation of the tax levied, assessed or
2 payable under the local sales tax law as defined in section
3 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to
4 144.761, all sales of motor fuel, as defined in section 142.800,
5 RSMo, which is:

6 (1) Used exclusively for agricultural purposes;

7 (2) Used on land owned or leased for the purpose of
8 producing farm products; and

9 (3) Used directly in producing farm products to be sold
10 ultimately in processed form or otherwise at retail or in
11 producing farm products to be fed to livestock or poultry to be
12 sold ultimately in processed form at retail.

13 2. The provisions of this section shall expire six years
14 from the effective date of this act.

15 261.035. 1. There is hereby created in the state treasury
16 for the use of the [marketing] agriculture business development
17 division of the state department of agriculture a fund to be
18 known as "The [Marketing] Agriculture Business Development Fund".
19 All moneys received by the state department of agriculture for
20 marketing development from any source within the state shall be
21 deposited in the fund.

22 2. Moneys deposited in the fund shall, upon appropriation
23 by the general assembly to the state department of agriculture,
24 be expended by the state department of agriculture for purposes
25 of agricultural marketing development and for no other purposes.

26 3. The unexpended balance in the [marketing] agriculture
27 business development fund at the end of the biennium shall not be
28 transferred to the ordinary revenue fund of the state treasury

1 and accordingly shall be exempt from the provisions of section
2 33.080, RSMo, relating to transfer of funds to the ordinary
3 revenue funds of the state by the state treasurer.

4 261.230. The director of the department of agriculture
5 shall, for the use of the [marketing] agriculture business
6 development division of the department of agriculture, develop
7 and implement rules and regulations by product category for all
8 Missouri agricultural products included in the AgriMissouri
9 marketing program.

10 261.235. 1. There is hereby created in the state treasury
11 for the use of the [marketing] agriculture business development
12 division of the state department of agriculture a fund to be
13 known as "The [Missouri Agricultural Products Marketing
14 Development] AgriMissouri Fund". All moneys received by the
15 state department of agriculture for Missouri agricultural
16 products marketing development from any source, including
17 trademark fees, shall be deposited in the fund. Moneys deposited
18 in the fund shall, upon appropriation by the general assembly to
19 the state department of agriculture, be expended by the
20 [marketing] agriculture business development division of the
21 state department of agriculture for promotion of Missouri
22 agricultural products under the AgriMissouri program. The
23 unexpended balance in the [Missouri agricultural products
24 marketing development] AgriMissouri fund at the end of the
25 biennium shall not be transferred to the general revenue fund of
26 the state treasury and accordingly shall be exempt from the
27 provisions of section 33.080, RSMo, relating to transfer of funds
28 to the ordinary revenue funds of the state by the state

1 treasurer.

2 2. There is hereby created within the department of
3 agriculture the "[Citizens'] AgriMissouri Advisory Commission for
4 Marketing Missouri Agricultural Products". The commission shall
5 establish guidelines, and make recommendations to the director of
6 agriculture, for the use of funds appropriated by the general
7 assembly for the [marketing] agriculture business development
8 division of the department of agriculture, and for all funds
9 collected or appropriated to the [Missouri agricultural products
10 marketing development] AgriMissouri fund created pursuant to
11 subsection 1 of this section. The guidelines shall focus on the
12 promotion of the AgriMissouri trademark associated with Missouri
13 agricultural products that have been approved by the general
14 assembly, and shall advance the following objectives:

15 (1) Increasing the impact and fostering the effectiveness
16 of local efforts to promote Missouri agricultural products;

17 (2) Enabling and encouraging expanded advertising efforts
18 for Missouri agricultural products;

19 (3) Encouraging effective, high-quality advertising
20 projects, innovative marketing strategies, and the coordination
21 of local, regional and statewide marketing efforts;

22 (4) Providing training and technical assistance to
23 cooperative-marketing partners of Missouri agricultural products.

24 3. The commission may establish a fee structure for sellers
25 electing to use the AgriMissouri trademark associated with
26 Missouri agricultural products. Under the fee structure:

27 (1) A seller having gross annual sales greater than two
28 million dollars per fiscal year of Missouri agricultural products

1 which constitute the final product of a series of processes or
2 activities shall remit to the [marketing] agriculture business
3 development division of the department of agriculture, at such
4 times and in such manner as may be prescribed, a trademark fee of
5 one-half of one percent of the aggregate amount of all of such
6 seller's wholesale sales of products carrying the AgriMissouri
7 trademark; and

8 (2) All sellers having gross annual sales less than or
9 equal to two million dollars per fiscal year of Missouri
10 agricultural products which constitute the final product of a
11 series of processes or activities shall, after three years of
12 selling Missouri agricultural products carrying the AgriMissouri
13 trademark, remit to the [marketing] agriculture business
14 development division of the department of agriculture, at such
15 times and in such manner as may be prescribed, a trademark fee of
16 one-half of one percent of the aggregate amount of all of such
17 seller's wholesale sales of products carrying the AgriMissouri
18 trademark.

19
20 All trademark fees shall be deposited to the credit of the
21 [Missouri agricultural products marketing development]
22 AgriMissouri fund, created pursuant to this section.

23 4. The [marketing] agriculture business development
24 division of the department of agriculture is authorized to
25 promulgate rules consistent with the guidelines and fee structure
26 established by the commission. No rule or portion of a rule
27 shall become effective unless it has been promulgated pursuant to
28 the provisions of chapter 536, RSMo.

1 5. The commission shall consist of nine members appointed
2 by the governor with the advice and consent of the senate. One
3 member shall be the director of the [market] agriculture business
4 development division of the department of agriculture, or his or
5 her representative. At least one member shall be a specialist in
6 advertising; at least one member shall be a specialist in
7 agribusiness; at least one member shall be a specialist in the
8 retail grocery business; at least one member shall be a
9 specialist in communications; at least one member shall be a
10 specialist in product distribution; at least one member shall be
11 a family farmer with expertise in livestock farming; at least one
12 member shall be a family farmer with expertise in grain farming
13 and at least one member shall be a family farmer with expertise
14 in organic farming. Members shall serve for four-year terms,
15 except in the first appointments three members shall be appointed
16 for terms of four years, three members shall be appointed for
17 terms of three years and three members shall be appointed for
18 terms of two years each. Any member appointed to fill a vacancy
19 of an unexpired term shall be appointed for the remainder of the
20 term of the member causing the vacancy. The governor shall
21 appoint a chairperson of the commission, subject to ratification
22 by the commission.

23 6. Commission members shall receive no compensation but
24 shall be reimbursed for actual and necessary expenses incurred in
25 the performance of their official duties on the commission. The
26 division of [market] agriculture business development of the
27 department of agriculture shall provide all necessary staff and
28 support services as required by the commission to hold commission

1 meetings, to maintain records of official acts and to conduct all
2 other business of the commission. The commission shall meet
3 quarterly and at any such time that it deems necessary. Meetings
4 may be called by the chairperson or by a petition signed by a
5 majority of the members of the commission. Ten days' notice
6 shall be given in writing to such members prior to the meeting
7 date. A simple majority of the members of the commission shall
8 be present to constitute a quorum. Proxy voting shall not be
9 permitted.

10 261.239. The [marketing] agriculture business development
11 division of the department of agriculture shall create an
12 Internet web site for the purpose of fostering the marketing of
13 Missouri agricultural products over the Internet.

14 262.261. 1. The "State Fair Escrow Fund" is hereby
15 created. Such fund shall be held and maintained by the state
16 fair commission. All ticket sales income pertaining to the
17 Missouri state fair grandstand shows, arena events, and carnival
18 rides shall be deposited into the state fair escrow fund. The
19 fund may receive moneys for specific event purposes, including
20 both off-season and fair events. Such fund may receive gifts,
21 grants, contributions, and funds or benefits from any other
22 source or sources, such as sponsorships and auction proceeds.
23 The money in the state fair escrow fund may be used for paying
24 entertainers, carnival contractors, workers, and other event
25 promoters and may include expenses and equipment.

26 2. The state fair escrow fund shall be established and
27 operated by the state fair in a separate account and under the
28 direct control of the state fair director and the state fair

1 commission. The provisions of section 30.170, RSMo, to the
2 contrary notwithstanding, the money in the state fair escrow fund
3 shall be retained outside the control of the state treasury. The
4 provisions of section 33.080, RSMo, to the contrary
5 notwithstanding, the money in the state fair escrow fund shall be
6 retained for the purposes specified in this section and shall not
7 revert or be transferred to general revenue. The state fair
8 shall keep accurate records of the source of money deposited in
9 the state fair escrow fund and shall allocate funds for the
10 appropriate expenditures.

11 3. The unexpended balance in the state fair escrow fund at
12 the end of each calendar year shall not exceed the preceding
13 year's expenditures as they are described in subsection 1 of this
14 section.

15 263.232. It shall be the duty of any person or persons,
16 association of persons, corporations, partnerships, the state
17 highways and transportation commission, any state department, any
18 state agency, the county commissions, the township boards, school
19 boards, drainage boards, the governing bodies of incorporated
20 cities, railroad companies and other transportation companies or
21 their authorized agents and those supervising state-owned lands:

22 (1) To control and eradicate the spread of cut-leaved
23 teasel (*Dipsacus laciniatus*) and common teasel (*Dipsacus*
24 *fullonum*), which are hereby designated as noxious and dangerous
25 weeds to agriculture, by methods approved by the Environmental
26 Protection Agency and in compliance with the manufacturer's label
27 instructions; [and]

28 (2) To control the spread of kudzu vine (*Pueraria lobata*),

1 which is hereby designated as a noxious and dangerous weed to
2 agriculture, by methods approved by the Environmental Protection
3 Agency and in compliance and conformity with the manufacturer's
4 label instructions;

5 (3) To control the spread of spotted knapweed (Cetaurea
6 biebersteinii, including all subspecies), which is hereby
7 designated as a noxious and dangerous weed to agriculture, by
8 methods approved by the Environmental Protection Agency and in
9 compliance and conformity with the manufacturer's label
10 instructions; and

11 (4) To control the spread of sericea lespedeza (Lespedeza
12 cuneata), which is hereby designated as a noxious and dangerous
13 weed to agriculture, by methods approved by the Environmental
14 Protection Agency and in compliance and conformity with the
15 manufacturer's label instructions.

16 265.200. The executive board of the Missouri state
17 horticultural society shall have the power and duty:

18 (1) To authorize the director to expend, within the
19 appropriations provided therefor, a designated amount of the
20 moneys in the apple merchandising fund in the enforcement of
21 sections 265.130 and 265.140, referring to the labeling of
22 apples.

23 (2) To authorize the director to expend, within the
24 appropriations provided therefor, a reasonable amount of the
25 moneys in the apple merchandising fund in the administration of
26 sections 265.150 to 265.180, referring to the collection of
27 levies imposed by this chapter.

28 (3) To authorize the director to apportion, within the

1 appropriations provided therefor, a reasonable amount of the
2 moneys in the apple merchandising fund to the [marketing]
3 agriculture business development fund.

4 (4) To plan and to authorize the director to conduct a
5 campaign of education, advertising, publicity and sales promotion
6 to increase the consumption of Missouri apples and the director
7 may contract for any advertising, publicity and sales promotion
8 service. To accomplish such purpose the director shall have
9 power and it shall be the duty of the director, within the
10 appropriations provided therefor, to disseminate information:

11 (a) Relating to apples and the importance thereof in
12 preserving the public health, the economy thereof in the diet of
13 the people, and the importance thereof in the nutrition of
14 children;

15 (b) Relating to the problem of furnishing the consumer at
16 all times with a supply of good quality apples at reasonable
17 prices;

18 (c) Relating to such other, further and additional
19 information as shall tend to promote increased consumption of
20 Missouri apples, and as may foster a better understanding and
21 more efficient cooperation between producers, dealers and the
22 consuming public.

23 (5) To cooperate with other state, regional and national
24 agricultural organizations and may at its discretion authorize
25 the director to expend within the appropriations provided
26 therefor moneys of the apple merchandising fund for such
27 purposes.

28 265.525. 1. This section shall be known as the "Missouri

1 Rice Certification Act".

2 2. As used in this section, the following terms shall mean:

3 (1) "Characteristics of commercial impact", characteristics
4 determined by the rice advisory council under subsection 7 of
5 this section that may adversely affect the marketability of rice
6 in the event of commingling with other rice and may include, but
7 are not limited to, those characteristics that cannot be visually
8 identified without the aid of specialized equipment or testing,
9 those characteristics that create a significant economic impact
10 in their removal from commingled rice, and those characteristics
11 whose removal from commingled rice is infeasible;

12 (2) "Council", the rice advisory council established in
13 this section;

14 (3) "Department", the department of agriculture;

15 (4) "Director", the director of the department of
16 agriculture;

17 (5) "End user", any company or corporation that uses rice
18 as a major ingredient in industrial food processing;

19 (6) "Handler", any person engaged in this state in the
20 business of marketing rice, including persons engaged in the
21 drying, milling, or storing of rice;

22 (7) "Person", any individual, partnership, limited
23 liability company, limited liability partnership, corporation,
24 firm, company, or any other entity doing business in Missouri;

25 (8) "Producer", any person who produces, or causes to be
26 produced, rice;

27 (9) "Rice", all rough or "paddy" rice or brown rice (Oryza
28 species) produced in or shipped in Missouri, including rice

1 produced for seed. It does not include wild rice (Zinzania
2 aquatic or Zinzania palustris).

3 3. Except as provided by rules promulgated by the
4 department, it shall be unlawful for any person to introduce,
5 sell, plant, produce, harvest, transport, store, process, or
6 otherwise handle rice identified as having characteristics of
7 commercial impact.

8 4. There is hereby created within the department of
9 agriculture the "Rice Advisory Council". The council shall be
10 made up of the following nine members:

11 (1) The director, or his or her designee;

12 (2) Two members appointed by the director to include:

13 (a) An individual representing handlers in Missouri;

14 (b) An individual representing end users;

15 (3) Six members appointed by the director as recommended by
16 the Missouri Rice Research and Merchandising Council to include:

17 (a) Two producers, neither of whom shall be employed by or
18 serve on the board of any rice mill or rice merchandiser;

19 (b) Two scientists employed by institutes of higher
20 education in Missouri;

21 (c) A representative of rice mills operating in Missouri;
22 and

23 (d) A representative of rice seed dealers.

24 5. Members of the council shall serve terms of three years
25 in length except that the director shall be a permanent member of
26 the council and the director shall stagger the terms of the
27 initial appointments so that three members serve terms of two
28 years, three members serve terms of three years, and two members

1 serve terms of four years. There is no limit to the number of
2 terms a member may serve. Vacancies shall be filled in the same
3 manner of representation as the original appointments.

4 6. The rice advisory council shall meet no less than twice
5 annually as determined by the chairperson of the council, who
6 shall be elected by the council at its first meeting and once
7 every calendar year thereafter. Members of the council shall
8 serve without compensation but shall be reimbursed for their
9 actual and necessary expenses incurred in the performance of
10 their duties.

11 7. The powers and duties of the rice advisory council shall
12 include, but not be limited to, all of the following:

13 (1) Identifying rice varieties that have characteristics of
14 commercial impact;

15 (2) Reviewing the efficacy of terms and conditions of
16 identity preservation programs imposed on the planting,
17 producing, harvesting, transporting, drying, storing, testing, or
18 otherwise handling of rice identified using the most current
19 industry standards and generally accepted scientific principles;

20 (3) Reviewing each rice variety identified as having
21 characteristics of commercial impact not less often than every
22 two years, or upon receipt of a petition from the purveyor of the
23 rice;

24 (4) Making recommendations to the director on all matters
25 pertaining to this section, including, but not limited to,
26 enforcement of this section.

27 8. The department shall have the power to:

28 (1) Maintain the integrity and prevent the contamination of

1 rice which has not been identified as having characteristics of
2 commercial impact;

3 (2) Prevent the introduction of disease, weeds, or other
4 pests that would adversely affect rice which has not been
5 identified as having characteristics of commercial impact;

6 (3) Require that persons selling, offering for sale, or
7 otherwise distributing seed for the production of rice identified
8 as having characteristics of commercial impact, or that persons
9 bringing rice identified as having characteristics of commercial
10 impact into the state for processing, notify the department of
11 the location of planting sites and the dates and procedures for
12 planting, producing, harvesting, transporting, drying, storing,
13 testing, or otherwise handling of rice identified as having
14 characteristics of commercial impact;

15 (4) Require that persons receiving rice having been
16 identified as having characteristics of commercial impact
17 produced outside the state for processing notify the department
18 of the location of the receipt and the procedures for processing,
19 transporting, drying, storing, testing, or otherwise handling the
20 rice to prevent commercial impact to other rice and the spread of
21 weeds, disease, or other pests;

22 (5) Enforce restrictions and prohibitions imposed by the
23 department on the selling, planting, producing, harvesting,
24 transporting, drying, storing, testing, processing, or otherwise
25 handling of rice identified as having characteristics of
26 commercial impact;

27 (6) Investigate alleged violations of this section, issue
28 notices of violation, provide for an appeals process for persons

1 aggrieved by the provisions of this section, and impose penalties
2 for violation of this section.

3 9. The department shall promulgate rules to implement the
4 provisions of this section. Any rule or portion of a rule, as
5 that term is defined in section 536.010, RSMo, that is created
6 under the authority delegated in this section shall become
7 effective only if it complies with and is subject to all of the
8 provisions of chapter 536, RSMo, and, if applicable, section
9 536.028, RSMo. This section and chapter 536, RSMo, are
10 nonseverable and if any of the powers vested with the general
11 assembly pursuant to chapter 536, RSMo, to review, to delay the
12 effective date, or to disapprove and annul a rule are
13 subsequently held unconstitutional, then the grant of rulemaking
14 authority and any rule proposed or adopted after August 28, 2007,
15 shall be invalid and void.

16 10. The department shall regularly report to the rice
17 advisory council any findings of rice varieties that could
18 potentially have characteristics of commercial impact.

19 11. If the rice advisory council determines that any rice
20 variety with characteristics of commercial impact is documented
21 as causing unreasonable adverse effects on the environment or
22 public health, the council may issue recommendations to the
23 department. Within sixty days of receiving any such
24 recommendations from the council, the department shall hold a
25 public hearing for the purpose of determining the nature and
26 extent of commercial impact. Within thirty days of holding any
27 such public hearing, the department shall issue a detailed
28 opinion in response to the council recommendations.

1 12. The penalty for violating a provision of this section
2 shall be no less than ten thousand dollars nor more than one
3 hundred thousand dollars per day per violation.

4 13. If the department determines a person has violated any
5 provision of this section, the department shall provide written
6 notice to such person informing the person of the violation. The
7 notice shall inform the person of the right to request an appeal.
8 Nothing in this section shall prevent a person from seeking
9 judicial relief in a court of competent jurisdiction.

10 14. The provisions of this section shall become effective
11 one hundred eighty days from August 28, 2007.

12 267.165. 1. The department of agriculture shall not
13 participate in any national animal identification system
14 administered by the United States Department of Agriculture
15 without specific authorization from the general assembly except
16 to serve as a registration agent for the Missouri quality systems
17 assessment program, process verification program, or private
18 marketing programs that require national animal identification
19 system premise identification.

20 2. Notwithstanding the provisions of subsection 1 of this
21 section, nothing in this section shall be construed as
22 prohibiting the department of agriculture from establishing,
23 monitoring, and participating in any voluntary or private animal
24 identification program, including age and source, the sole
25 purpose of which is to add value to Missouri livestock including,
26 but not limited to, livestock identification, brand registration,
27 and inspection.

28 3. Any Missouri voluntary animal identification program

1 administered by the department of agriculture shall be subject to
2 the following conditions:

3 (1) The department shall provide participants all relevant
4 program information;

5 (2) Program participants shall be permitted to withdraw
6 from the program;

7 (3) The department of agriculture shall not require
8 participation in a Missouri specific source verification program;

9 (4) No services, licenses, permits, or essential services
10 offered by the state shall be denied based on lack of
11 participation in a premise identification system.

12 4. Nothing in this section shall be construed as
13 prohibiting the department of agriculture from establishing and
14 participating in animal identification for specific diseases in
15 specific species of livestock.

16 5. Failure to participate in a premises registration or
17 animal identification program that is not part of a specific
18 disease control measure as administered by the state veterinarian
19 shall not be deemed a crime, nor evidence of any negligence or
20 gross negligence on the part of any livestock owner or provider
21 of goods or services.

22 6. If the provisions of this section interfere with the
23 marketing of Missouri livestock, the governor may by executive
24 order waive the requirements of this section or any part thereof
25 in part or in whole. The provisions of this subsection shall
26 expire on July 1, 2008.

27 311.297. 1. Any winery, distiller, manufacturer,
28 wholesaler, or brewer, or designated employee, may provide and

1 pour distilled spirits, wine, or malt beverage samples off a
2 licensed retail premises for tasting purposes, provided no sales
3 transactions take place. For purposes of this section, a sales
4 transaction shall mean an actual and immediate exchange of
5 monetary consideration for the immediate delivery of goods at the
6 tasting site.

7 2. Any winery, distiller, manufacturer, wholesaler, or
8 brewer, or designated employee, may provide, furnish, or pour
9 distilled spirits, wine, or malt beverage samples for customer
10 tasting purposes on any temporary licensed retail premises as
11 described in section 311.218, 311.482, 311.485, 311.486, or
12 311.487, or on any tax-exempt organization's licensed premises as
13 described in section 311.090.

14 340.335. 1. Sections 340.335 to 340.350 establish a loan
15 repayment program for graduates of approved veterinary medical
16 schools who practice in areas of defined need and shall be known
17 as the "Large Animal Veterinary Medicine Loan Repayment Program".

18 2. The "Large Animal Veterinary Medicine Loan Repayment
19 Program Fund" is hereby created in the state treasury. All funds
20 recovered from an individual pursuant to section 340.347 and all
21 funds generated by loan repayments and penalties received
22 pursuant to section 340.347 shall be credited to the fund. The
23 moneys in the fund shall be used by the [Missouri veterinary
24 medical board] department of agriculture to provide loan
25 repayments pursuant to section 340.343 in accordance with
26 sections 340.335 to 340.350.

27 340.337. As used in sections 340.335 to [340.350] 340.405,
28 the following terms shall mean:

1 (1) "Areas of defined need", areas designated by the
2 [board] department pursuant to section 340.339, when services of
3 a large animal veterinarian are needed to improve the
4 [client-doctor] veterinarian-patient ratio in the area, or to
5 contribute professional veterinary services to an area of
6 economic impact;

7 (2) ["Board", the Missouri veterinary medical board]
8 "College", the college of veterinary medicine at the University
9 of Missouri-Columbia;

10 (3) "Department", the Missouri department of agriculture;

11 (4) "Director", director of the Missouri department of
12 agriculture;

13 (5) "Eligible student", a resident who has been accepted as
14 a full-time student at the University of Missouri-Columbia
15 enrolled in the doctor of veterinary medicine degree program at
16 the college of veterinary medicine;

17 [(3)] (6) "Large animal veterinarian", veterinarians
18 licensed [and registered] pursuant to this chapter, engaged in
19 general or large animal practice as their primary [specialties]
20 focus of practice, and who have [at least fifty percent] a
21 substantial portion of their practice devoted to large animal
22 veterinary medicine;

23 (7) "Qualified applicant", an eligible student approved by
24 the department for participation in the large animal veterinary
25 student loan program established by sections 340.375 to 340.405;

26 (8) "Qualified employment", employment as a large animal
27 veterinarian and where a substantial portion of business involves
28 the treatment of large animals on a full-time basis in Missouri

1 located in an area of need as determined by the department of
2 agriculture. Qualified employment shall not include employment
3 with a large-scale agribusiness enterprise, corporation, or
4 entity. Any forgiveness of such principal and interest for any
5 qualified applicant engaged in qualified employment on a less
6 than full-time basis may be prorated to reflect the amounts
7 provided in this section;

8 (9) "Resident", any person who has lived in this state for
9 one or more years for any purpose other than the attending of an
10 educational institution located within this state.

11 340.339. The [board] department shall designate counties,
12 communities or sections of rural areas as areas of defined need
13 as determined by the [board] department by rule.

14 340.341. 1. The [board] department shall adopt and
15 promulgate rules establishing standards for determining eligible
16 persons for loan repayment pursuant to sections 340.335 to
17 340.350. Such standards shall include, but are not limited to
18 the following:

19 (1) Citizenship or permanent residency in the United
20 States;

21 (2) Residence in the state of Missouri;

22 (3) Enrollment as a full-time veterinary medical student in
23 the final year of a course of study offered by an approved
24 educational institution in Missouri;

25 (4) Application for loan repayment.

26 2. The [board] department shall not grant repayment for
27 more than [five] six veterinarians each year.

28 340.343. 1. The [board] department shall enter into a

1 contract with each individual qualifying for repayment of
2 educational loans. The written contract between the [board]
3 department and an individual shall contain, but not be limited
4 to, the following:

5 (1) An agreement that the state agrees to pay on behalf of
6 the individual, loans in accordance with section 340.345 and the
7 individual agrees to serve for a time period equal to [five] four
8 years, or such longer period as the individual may agree to, in
9 an area of defined need, such service period to begin within one
10 year of [the signed contract or] graduation by the individual
11 with a degree of doctor of veterinary medicine[, whichever is
12 later];

13 (2) A provision that any financial obligations arising out
14 of a contract entered into and any obligation of the individual
15 which is conditioned thereon is contingent upon funds being
16 appropriated for loan repayments;

17 (3) The area of defined need where the person will
18 practice;

19 (4) A statement of the damages to which the state is
20 entitled for the individual's breach of the contract;

21 (5) Such other statements of the rights and liabilities of
22 the [board] department and of the individual not inconsistent
23 with sections 340.335 to 340.350.

24 2. The [board] department may stipulate specific practice
25 sites contingent upon [board-generated] department-generated
26 large animal veterinarian need priorities where applicants shall
27 agree to practice for the duration of their participation in the
28 program.

1 340.345. 1. A loan payment provided for an individual
2 pursuant to a written contract under the large animal veterinary
3 medicine loan repayment program shall consist of payment on
4 behalf of the individual of the principal, interest and related
5 expenses on government and commercial loans received by the
6 individual for tuition, fees, books, laboratory and living
7 expenses incurred by the individual.

8 2. For each year of obligated services that an individual
9 contracts to serve in an area of defined need, the [board]
10 department may pay up to [ten] twenty thousand dollars on behalf
11 of the individual for loans described in subsection 1 of this
12 section.

13 3. The [board] department may enter into an agreement with
14 the holder of the loans for which repayments are made under the
15 large animal veterinary medicine loan repayment program to
16 establish a schedule for the making of such payments if the
17 establishment of such a schedule would result in reducing the
18 costs to the state.

19 4. Any qualifying communities providing a portion of a loan
20 repayment shall be considered first for placement.

21 340.347. 1. An individual who has entered into a written
22 contract with the [board] department or an individual who is
23 enrolled [in a course of study] at the college and fails to
24 maintain an acceptable level of academic standing [in the
25 educational institution in which such individual is enrolled] or
26 voluntarily terminates such enrollment or is dismissed [from such
27 educational institution] before completion of such course of
28 study or fails to become licensed pursuant to this chapter within

1 one year after graduation shall be liable to the state for the
2 amount which has been paid on such individual's behalf pursuant
3 to the contract.

4 2. If an individual breaches the written contract of the
5 individual by failing either to begin such individual's service
6 obligation or to complete such service obligation, the state
7 shall be entitled to recover from the individual an amount equal
8 to the sum of:

9 (1) The total of the amounts paid by the state on behalf of
10 the individual, including interest; and

11 (2) An amount equal to the unserved obligation penalty,
12 which is the total number of months of obligated service which
13 were not completed by an individual, multiplied by five hundred
14 dollars.

15 3. The [board] department may act on behalf of a qualified
16 community to recover from an individual described in subsections
17 1 and 2 of this section the portion of a loan repayment paid by
18 such community for such individual.

19 340.375. 1. The department of agriculture shall implement
20 and administer the large animal veterinary student loan program
21 established under sections 340.375 to 340.405, and the large
22 animal veterinary medicine loan repayment program established
23 under sections 340.335 to 340.350.

24 2. An advisory panel of not more than five members shall be
25 appointed by the director. The panel shall consist of three
26 licensed large animal veterinarians, the dean of the college or
27 his or her designee, and one public member from the agricultural
28 sector. The panel shall make recommendations to the director on

1 the content of any rules, regulations or guidelines under
2 sections 340.335 to 340.405 prior to their promulgation. The
3 panel may make recommendations to the director regarding fund
4 allocations for loans and loan repayment based on current
5 veterinarian shortage needs.

6 3. The department of agriculture shall promulgate
7 reasonable rules and regulations for the administration of
8 sections 340.375 to 340.405, including but not limited to rules
9 for disbursements and repayment of loans. It shall prescribe the
10 form, the time and method of filing applications and supervise
11 the proceedings thereof. Any rule or portion of a rule, as that
12 term is defined in section 536.010, RSMo, that is created under
13 the authority delegated in this section shall become effective
14 only if it complies with and is subject to all of the provisions
15 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo.
16 This section and chapter 536, RSMo, are nonseverable and if any
17 of the powers vested with the general assembly pursuant to
18 chapter 536, RSMo, to review, to delay the effective date, or to
19 disapprove and annul a rule are subsequently held
20 unconstitutional, then the grant of rulemaking authority and any
21 rule proposed or adopted after August 28, 2007, shall be invalid
22 and void.

23 340.381. There is hereby created in the state treasury the
24 "Veterinary Student Loan Payment Fund", which shall consist of
25 general revenue appropriated to the large animal veterinary
26 student loan program, voluntary contributions to support or match
27 program activities, money collected under section 340.396, and
28 funds received from the federal government. The state treasurer

1 shall be custodian of the fund and may approve disbursements from
2 the fund in accordance with sections 30.170 and 30.180, RSMo.

3 Upon appropriation, money in the fund shall be used solely for
4 the administration of sections 340.375 to 340.405.

5 Notwithstanding the provisions of section 33.080, RSMo, to the
6 contrary, any moneys remaining in the fund at the end of the
7 biennium shall not revert to the credit of the general revenue
8 fund. The state treasurer shall invest moneys in the fund in the
9 same manner as other funds are invested. Any interest and moneys
10 earned on such investments shall be credited to the fund.

11 340.384. The department of agriculture shall enter into a
12 contract with each qualified applicant receiving financial
13 assistance under the provisions of sections 340.375 to 340.405
14 for repayment of the principal and interest.

15 340.387. Eligible students may apply to the department for
16 financial assistance under the provisions of sections 340.375 to
17 340.405. If, at the time of application for a loan, a student
18 has formally applied for acceptance at the college, receipt of
19 financial assistance is contingent upon acceptance and continued
20 enrollment at the college. A qualified applicant may receive
21 financial assistance for each academic year he or she remains a
22 student in good standing at the college.

23 340.390. Up to six qualified applicants per academic year
24 may be awarded loans of up to eighty thousand dollars per
25 applicant under the provisions of sections 340.375 to 340.405.
26 Priority for loans shall be given to eligible students who have
27 established financial need. All financial assistance shall be
28 made from funds credited to the veterinary student loan payment

1 fund.

2 340.393. The department shall establish schedules for
3 repayment of the principal and interest on any financial
4 assistance made under the provisions of sections 340.375 to
5 340.405. Interest at the rate of nine and one-half percent per
6 annum shall be charged on all financial assistance made under the
7 provisions of sections 340.375 to 340.405, but the interest and
8 principal of the total financial assistance granted to a
9 qualified applicant at the time of the successful completion of a
10 doctor of veterinary medicine degree program shall be forgiven
11 through qualified employment.

12 340.396. The financial assistance recipient shall repay the
13 financial assistance principal and interest beginning not more
14 than one year after completion of the degree for which the
15 financial assistance was made in accordance with the repayment
16 contract. If an eligible student ceases his or her study prior
17 to successful completion of a degree or graduation from the
18 college, interest at the rate specified in section 340.393 shall
19 be charged on the amount of financial assistance received from
20 the state under the provisions of sections 340.375 to 340.405,
21 and repayment, in accordance with the repayment contract, shall
22 begin within ninety days of the date the financial aid recipient
23 ceased to be an eligible student. All funds repaid by recipients
24 of financial assistance to the department shall be deposited in
25 the veterinary student loan payment fund for use pursuant to
26 sections 340.375 to 340.405.

27 340.399. The department shall grant a deferral of interest
28 and principal payments to a financial assistance recipient who is

1 pursuing a post-degree training program, or upon special
2 conditions established by the department. The deferral shall not
3 exceed four years. The status of each deferral shall be reviewed
4 annually by the department to ensure compliance with the intent
5 of this section.

6 340.402. When necessary to protect the interest of the
7 state in any financial assistance transaction under sections
8 340.375 to 340.405, the department may institute any action to
9 recover any amount due.

10 340.405. 1. Sections 340.375 to 340.405 shall not be
11 construed to require the department to enter into contracts with
12 individuals who qualify for education loans or loan repayment
13 programs when federal, state and local funds are not available
14 for such purposes.

15 2. Sections 340.375 to 340.405 shall not be subject to the
16 provisions of sections 23.250 to 23.298, RSMo.

17 3. Sections 340.375 to 340.405 shall expire on June 30,
18 2013.

19 348.230. 1. The Missouri agricultural and small business
20 development authority, subject to appropriation, shall pay for
21 the first full year of charged interest on any applicable
22 Missouri linked deposit program loan, as provided in sections
23 30.750 to 30.850, RSMo. For the purpose of this section, the
24 term "applicable loan" shall mean any loan made and used solely
25 for the acquisition of dairy cows and other replacement dairy
26 females.

27 2. The Missouri agricultural and small business development
28 authority may charge a fee for the service in subsection 1 of

1 this section, not to exceed fifty dollars per individual.
2 Revenue generated from the fee shall be used to defray
3 administrative costs.

4 348.235. 1. The Missouri agricultural and small business
5 development authority, subject to appropriation not to exceed
6 fifty thousand dollars, shall develop and implement dairy
7 business planning grants as provided in this section.

8 2. The Missouri agricultural and small business development
9 authority may charge an application fee for the grants developed
10 under this section, not to exceed fifty dollars per application.
11 Revenue generated from the application fee shall be used to
12 defray the cost of administering the grants.

13 3. Eligible applicants shall be existing or start-up dairy
14 operations wholly located in the state of Missouri that are at
15 least fifty-one percent owned by residents of this state.

16 4. A single grant shall not exceed five thousand dollars or
17 finance more than ninety percent of the cost of the business
18 plan, whichever is less.

19 5. Proceeds from a grant shall only be used to contract
20 with a dairy business planning professional that is approved by
21 the Missouri agricultural and small business development
22 authority.

23 6. The Missouri agricultural and small business development
24 authority may promulgate rules establishing eligibility and award
25 criteria under this section including, but not limited to, the
26 following:

27 (1) The potential to improve the profitability,
28 modernization, and expansion of the dairy operation;

1 (2) The education, experience, and past relevant experience
2 of the dairy business planning professional;

3 (3) The qualifications, education, and experience of the
4 dairy owner or owners and management team;

5 (4) The potential for timely near-term application of the
6 results of the study;

7 (5) The potential economic benefit to the state of
8 Missouri;

9 (6) Such other factors as the Missouri agricultural and
10 small business development authority may establish.

11 7. Any rule or portion of a rule, as that term is defined
12 in section 536.010, RSMo, that is created under the authority
13 delegated in this section shall become effective only if it
14 complies with and is subject to all of the provisions of chapter
15 536, RSMo, and, if applicable, section 536.028, RSMo. This
16 section and chapter 536, RSMo, are nonseverable and if any of the
17 powers vested with the general assembly pursuant to chapter 536,
18 RSMo, to review, to delay the effective date, or to disapprove
19 and annul a rule are subsequently held unconstitutional, then the
20 grant of rulemaking authority and any rule proposed or adopted
21 after August 28, 2007, shall be invalid and void.

22 348.430. 1. The tax credit created in this section shall
23 be known as the "Agricultural Product Utilization Contributor Tax
24 Credit".

25 2. As used in this section, the following terms mean:

26 (1) "Authority", the agriculture and small business
27 development authority as provided in this chapter;

28 (2) "Contributor", an individual, partnership, corporation,

1 trust, limited liability company, entity or person that
2 contributes cash funds to the authority;

3 (3) "Development facility", a facility producing either a
4 good derived from an agricultural commodity or using a process to
5 produce a good derived from an agricultural product;

6 (4) "Eligible new generation cooperative", a nonprofit
7 cooperative association formed pursuant to chapter 274, RSMo, or
8 incorporated pursuant to chapter 357, RSMo, for the purpose of
9 operating within this state a development facility or a renewable
10 fuel production facility;

11 (5) "Eligible new generation processing entity", a
12 partnership, corporation, cooperative, or limited liability
13 company organized or incorporated pursuant to the laws of this
14 state consisting of not less than twelve members, approved by the
15 authority, for the purpose of owning or operating within this
16 state a development facility or a renewable fuel production
17 facility in which producer members:

18 (a) Hold a majority of the governance or voting rights of
19 the entity and any governing committee;

20 (b) Control the hiring and firing of management; and

21 (c) Deliver agricultural commodities or products to the
22 entity for processing, unless processing is required by multiple
23 entities;

24 (6) "Renewable fuel production facility", a facility
25 producing an energy source which is derived from a renewable,
26 domestically grown, organic compound capable of powering
27 machinery, including an engine or power plant, and any by-product
28 derived from such energy source.

1 3. For all tax years beginning on or after January 1, 1999,
2 a contributor who contributes funds to the authority may receive
3 a credit against the tax or estimated quarterly tax otherwise due
4 pursuant to chapter 143, RSMo, other than taxes withheld pursuant
5 to sections 143.191 to 143.265, RSMo, chapter 148, RSMo, chapter
6 147, RSMo, in an amount of up to one hundred percent of such
7 contribution. Tax credits claimed in a taxable year may be done
8 so on a quarterly basis and applied to the estimated quarterly
9 tax pursuant to this subsection. If a quarterly tax credit claim
10 or series of claims contributes to causing an overpayment of
11 taxes for a taxable year, such overpayment shall not be refunded
12 but shall be applied to the next taxable year. The awarding of
13 such credit shall be at the approval of the authority, based on
14 the least amount of credits necessary to provide incentive for
15 the contributions. A contributor that receives tax credits for a
16 contribution to the authority shall receive no other
17 consideration or compensation for such contribution, other than a
18 federal tax deduction, if applicable, and goodwill.

19 4. A contributor shall submit to the authority an
20 application for the tax credit authorized by this section on a
21 form provided by the authority. If the contributor meets all
22 criteria prescribed by this section and the authority, the
23 authority shall issue a tax credit certificate in the appropriate
24 amount. Tax credits issued pursuant to this section may be
25 claimed in the taxable year in which the contributor contributes
26 funds to the authority. For all fiscal years beginning on or
27 after July 1, 2004, tax credits allowed pursuant to this section
28 may be carried back to any of the contributor's three prior tax

1 years and may be carried forward to any of the contributor's five
2 subsequent taxable years. Tax credits issued pursuant to this
3 section may be assigned, transferred or sold and the new owner of
4 the tax credit shall have the same rights in the credit as the
5 contributor. Whenever a certificate of tax credit is assigned,
6 transferred, sold or otherwise conveyed, a notarized endorsement
7 shall be filed with the authority specifying the name and address
8 of the new owner of the tax credit or the value of the credit.

9 5. The funds derived from contributions in this section
10 shall be used for financial assistance or technical assistance
11 for the purposes provided in section 348.407 to rural
12 agricultural business concepts as approved by the authority. The
13 authority may provide or facilitate loans, equity investments, or
14 guaranteed loans for rural agricultural business concepts, but
15 limited to two million dollars per project or the net state
16 economic impact, whichever is less. Loans, equity investments or
17 guaranteed loans may only be provided to feasible projects, and
18 for an amount that is the least amount necessary to cause the
19 project to occur, as determined by the authority. The authority
20 may structure the loans, equity investments or guaranteed loans
21 in a way that facilitates the project, but also provides for a
22 compensatory return on investment or loan payment to the
23 authority, based on the risk of the project.

24 6. In any given year, at least ten percent of the funds
25 granted to rural agricultural business concepts shall be awarded
26 to grant requests of twenty-five thousand dollars or less. No
27 single rural agricultural business concept shall receive more
28 than two hundred thousand dollars in grant awards from the

1 authority. Agricultural businesses owned by minority members or
2 women shall be given consideration in the allocation of funds.

3 348.432. 1. The tax credit created in this section shall
4 be known as the "New Generation Cooperative Incentive Tax
5 Credit".

6 2. As used in this section, the following terms mean:

7 (1) "Authority", the agriculture and small business
8 development authority as provided in this chapter;

9 (2) "Development facility", a facility producing either a
10 good derived from an agricultural commodity or using a process to
11 produce a good derived from an agricultural product;

12 (3) "Eligible new generation cooperative", a nonprofit
13 cooperative association formed pursuant to chapter 274, RSMo, or
14 incorporated pursuant to chapter 357, RSMo, for the purpose of
15 operating within this state a development facility or a renewable
16 fuel production facility and approved by the authority;

17 (4) "Eligible new generation processing entity", a
18 partnership, corporation, cooperative, or limited liability
19 company organized or incorporated pursuant to the laws of this
20 state consisting of not less than twelve members, approved by the
21 authority, for the purpose of owning or operating within this
22 state a development facility or a renewable fuel production
23 facility in which producer members:

24 (a) Hold a majority of the governance or voting rights of
25 the entity and any governing committee;

26 (b) Control the hiring and firing of management; and

27 (c) Deliver agricultural commodities or products to the
28 entity for processing, unless processing is required by multiple

1 entities;

2 (5) "Employee-qualified capital project", an eligible new
3 generation cooperative with capital costs greater than fifteen
4 million dollars which will employ at least sixty employees;

5 (6) "Large capital project", an eligible new generation
6 cooperative with capital costs greater than one million dollars;

7 (7) "Producer member", a person, partnership, corporation,
8 trust or limited liability company whose main purpose is
9 agricultural production that invests cash funds to an eligible
10 new generation cooperative or eligible new generation processing
11 entity;

12 (8) "Renewable fuel production facility", a facility
13 producing an energy source which is derived from a renewable,
14 domestically grown, organic compound capable of powering
15 machinery, including an engine or power plant, and any by-product
16 derived from such energy source;

17 (9) "Small capital project", an eligible new generation
18 cooperative with capital costs of no more than one million
19 dollars.

20 3. Beginning tax year 1999, and ending December 31, 2002,
21 any producer member who invests cash funds in an eligible new
22 generation cooperative or eligible new generation processing
23 entity may receive a credit against the tax or estimated
24 quarterly tax otherwise due pursuant to chapter 143, RSMo, other
25 than taxes withheld pursuant to sections 143.191 to 143.265,
26 RSMo, or chapter 148, RSMo, chapter 147, RSMo, in an amount equal
27 to the lesser of fifty percent of such producer member's
28 investment or fifteen thousand dollars.

1 4. For all tax years beginning on or after January 1, 2003,
2 any producer member who invests cash funds in an eligible new
3 generation cooperative or eligible new generation processing
4 entity may receive a credit against the tax or estimated
5 quarterly tax otherwise due pursuant to chapter 143, RSMo, other
6 than taxes withheld pursuant to sections 143.191 to 143.265,
7 RSMo, chapter 147, RSMo, or chapter 148, RSMo, in an amount equal
8 to the lesser of fifty percent of such producer member's
9 investment or fifteen thousand dollars. Tax credits claimed in a
10 taxable year may be done so on a quarterly basis and applied to
11 the estimated quarterly tax pursuant to subsection 3 of this
12 section. If a quarterly tax credit claim or series of claims
13 contributes to causing an overpayment of taxes for a taxable
14 year, such overpayment shall not be refunded but shall be applied
15 to the next taxable year.

16 5. A producer member shall submit to the authority an
17 application for the tax credit authorized by this section on a
18 form provided by the authority. If the producer member meets all
19 criteria prescribed by this section and is approved by the
20 authority, the authority shall issue a tax credit certificate in
21 the appropriate amount. Tax credits issued pursuant to this
22 section may be carried back to any of the producer member's three
23 prior taxable years and carried forward to any of the producer
24 member's five subsequent taxable years regardless of the type of
25 tax liability to which such credits are applied as authorized
26 pursuant to subsection 3 of this section. Tax credits issued
27 pursuant to this section may be assigned, transferred, sold or
28 otherwise conveyed and the new owner of the tax credit shall have

1 the same rights in the credit as the producer member. Whenever a
2 certificate of tax credit is assigned, transferred, sold or
3 otherwise conveyed, a notarized endorsement shall be filed with
4 the authority specifying the name and address of the new owner of
5 the tax credit or the value of the credit.

6 6. Ten percent of the tax credits authorized pursuant to
7 this section initially shall be offered in any fiscal year to
8 small capital projects. If any portion of the ten percent of tax
9 credits offered to small capital costs projects is unused in any
10 calendar year, then the unused portion of tax credits may be
11 offered to employee-qualified capital projects and large capital
12 projects. If the authority receives more applications for tax
13 credits for small capital projects than tax credits are
14 authorized therefor, then the authority, by rule, shall determine
15 the method of distribution of tax credits authorized for small
16 capital projects.

17 7. Ninety percent of the tax credits authorized pursuant to
18 this section initially shall be offered in any fiscal year to
19 employee-qualified capital projects and large capital projects.
20 If any portion of the ninety percent of tax credits offered to
21 employee-qualified capital projects and large capital costs
22 projects is unused in any fiscal year, then the unused portion of
23 tax credits may be offered to small capital projects. The
24 maximum tax credit allowed per employee-qualified capital project
25 is three million dollars and the maximum tax credit allowed per
26 large capital project is one million five hundred thousand
27 dollars. If the authority approves the maximum tax credit
28 allowed for any employee-qualified capital project or any large

1 capital project, then the authority, by rule, shall determine the
2 method of distribution of such maximum tax credit. In addition,
3 if the authority receives more tax credit applications for
4 employee-qualified capital projects and large capital projects
5 than the amount of tax credits authorized therefor, then the
6 authority, by rule, shall determine the method of distribution of
7 tax credits authorized for employee-qualified capital projects
8 and large capital projects.

9 348.505. 1. As used in this section, "state tax
10 liability", any state tax liability incurred by a taxpayer under
11 the provisions of chapters 143, 147, and 148, RSMo, exclusive of
12 the provisions relating to the withholding of tax as provided for
13 in sections 143.191 to 143.265, RSMo, and related provisions.

14 2. Any eligible lender under the family farm livestock loan
15 program under section 348.500 shall be entitled to receive a tax
16 credit equal to one hundred percent of the amount of interest
17 waived by the lender under section 348.500 on a qualifying loan
18 for the first year of the loan only. The tax credit shall be
19 evidenced by a tax credit certificate issued by the agricultural
20 and small business development authority and may be used to
21 satisfy the state tax liability of the owner of such certificate
22 that becomes due in the tax year in which the interest on a
23 qualified loan is waived by the lender under section 348.500. No
24 lender may receive a tax credit under this section unless such
25 person presents a tax credit certificate to the department of
26 revenue for payment of such state tax liability. The amount of
27 the tax credits that may be issued to all eligible lenders
28 claiming tax credits authorized in this section in a fiscal year

1 shall not exceed [one hundred fifty] three hundred thousand
2 dollars.

3 3. The agricultural and small business development
4 authority shall be responsible for the administration and
5 issuance of the certificate of tax credits authorized by this
6 section. The authority shall issue a certificate of tax credit
7 at the request of any lender. Each request shall include a true
8 copy of the loan documents, the name of the lender who is to
9 receive a certificate of tax credit, the type of state tax
10 liability against which the tax credit is to be used, and the
11 amount of the certificate of tax credit to be issued to the
12 lender based on the interest waived by the lender under section
13 348.500 on the loan for the first year.

14 4. The Missouri department of revenue shall accept a
15 certificate of tax credit in lieu of other payment in such amount
16 as is equal to the lesser of the amount of the tax or the
17 remaining unused amount of the credit as indicated on the
18 certificate of tax credit, and shall indicate on the certificate
19 of tax credit the amount of tax thereby paid and the date of such
20 payment.

21 5. The following provisions shall apply to tax credits
22 authorized under this section:

23 (1) Tax credits claimed in a taxable year may be claimed on
24 a quarterly basis and applied to the estimated quarterly tax of
25 the lender;

26 (2) Any amount of tax credit which exceeds the tax due,
27 including any estimated quarterly taxes paid by the lender under
28 subdivision (1) of this subsection which results in an

1 overpayment of taxes for a taxable year, shall not be refunded
2 but may be carried over to any subsequent taxable year, not to
3 exceed a total of three years for which a tax credit may be taken
4 for a qualified family farm livestock loan;

5 (3) Notwithstanding any provision of law to the contrary, a
6 lender may assign, transfer or sell tax credits authorized under
7 this section, with the new owner of the tax credit receiving the
8 same rights in the tax credit as the lender. For any tax credits
9 assigned, transferred, sold, or otherwise conveyed, a notarized
10 endorsement shall be filed by the lender with the authority
11 specifying the name and address of the new owner of the tax
12 credit and the value of such tax credit; and

13 (4) Notwithstanding any other provision of this section to
14 the contrary, any commercial bank may use tax credits created
15 under this section as provided in section 148.064, RSMo, and
16 receive a net tax credit against taxes actually paid in the
17 amount of the first year's interest on loans made under this
18 section. If such first year tax credits reduce taxes due as
19 provided in section 148.064, RSMo, to zero, the remaining tax
20 credits may be carried over as otherwise provided in this section
21 and utilized as provided in section 148.064, RSMo, in subsequent
22 years.

23 414.420. 1. As used in this section, the term "alternative
24 fuel" shall have the same meaning as in section 414.400.

25 2. There is hereby created the "Missouri [Ethanol and Other
26 Renewable Fuel Sources] Alternative Fuels Commission" composed of
27 [seven] nine members, including two members of the senate of
28 different political parties appointed by the president pro tem of

1 the senate, two members of the house of representatives of
2 different political parties appointed by the speaker of the
3 house, and ~~[three]~~ five other persons appointed by the governor,
4 with the advice and consent of the senate. The members appointed
5 by the governor ~~[may include, but are not limited to,]~~ shall be
6 persons engaged in [the ethanol production industry] industries
7 that produce alternative fuels, wholesale alternative fuels, or
8 retail alternative fuels, and no more than two of such members
9 shall represent an alternative fuel producer, retailer, or
10 wholesaler and no more than three of such members shall be of the
11 same political party. The members appointed by the governor
12 shall be appointed for a term of four years[, except that of the
13 first members appointed, one shall serve for a term of two years,
14 one shall serve for a term of three years, and one shall serve
15 for a term of four years]. Vacancies in the membership of the
16 commission shall be filled in the same manner as the original
17 appointments. The commission shall elect a member of its own
18 group as chairman at the first meeting, which shall be called by
19 the governor. The commission shall meet at least four times in a
20 calendar year at the call of the chairman. [The commission shall
21 promote the continued production of ethanol and the continued
22 usage of ethanol and fuel ethanol blends, as defined in section
23 142.027, RSMo, and the production and usage of other renewable
24 fuel sources, in this state. The commission shall report to each
25 regular session of the general assembly its recommendations for
26 legislation in the field of the promotion of the ethanol industry
27 and related subjects in this state.] Members of the commission
28 shall serve without compensation but shall be reimbursed for

1 actual and necessary expenses incurred in the performance of
2 their duties.

3 3. The commission shall:

4 (1) Make recommendations to the governor and general
5 assembly on changes to state law to facilitate the sale and
6 distribution of alternative fuels and alternative fuel vehicles;

7 (2) Promote the development, sale, distribution, and
8 consumption of alternative fuels;

9 (3) Promote the development and use of alternative fuel
10 vehicles and technology that will enhance the use of alternative
11 and renewable transportation fuels;

12 (4) Educate consumers about alternative fuels, including
13 but not limited to ethanol and biodiesel;

14 (5) Develop a long-range plan for the state to reduce
15 consumption of petroleum fuels; and

16 (6) Submit an annual report to the governor and the general
17 assembly.

18 Section 1. Grants received by the department of agriculture
19 shall not be used to pay legal settlements or judgments, and all
20 legal settlements and judgments arising out of legal claims
21 against the department of agriculture or its agents or employees
22 shall be paid from the state legal expense fund created in
23 section 105.711, RSMo.

24 ✓
25
26
27
28
29

1

2

Kevin Engler

John Quinn